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News Release

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Canada's Government Delivers Debt Reduction for Canadians

The Honourable Jim Flaherty, Minister of Finance, today tabled in Parliament the *Debt Management Report* for 2006–07, which reports that Canada's Government has surpassed its goals in reducing the federal debt.

"Debt reduction is a cornerstone of our economic policy," said Minister Flaherty. "In our long-term economic plan, *Advantage Canada*, we set out to create a Canadian Fiscal Advantage by eliminating the total government net debt in less than a generation, by 2021."

This year, the Government plans to reduce the federal debt by $10 billion. This will bring total debt reduction since 2005–06 to over $37 billion, lowering the federal debt burden by about $1,570 per person.

In 2006–07, the Government spent 14.4 cents of every revenue dollar on interest on the public debt, down from the peak of 37.6 cents in 1990–91.

This is significant for Canadian individuals, families and businesses, since lower debt means less interest and lower taxes.

Under the Government's Tax Back Guarantee, all interest savings from the shrinking federal debt are used to further reduce personal income taxes. The total value of tax relief provided under the Tax Back Guarantee will rise to $2.5 billion by 2012–13.

The *Debt Management Report* can be viewed free of charge on the Department of Finance website. Printed copies cost $10.60 and can be ordered from the Department's Distribution Centre at 613-995-2855.

For further information, media may contact:

Chisholm Pothier
Press Secretary
Office of the Minister of Finance
613-996-7861

David Gamble
Media Relations
Department of Finance
613-996-8080

www.fin.gc.ca

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